

# MACOUPIN COUNTY BOARD

215 SOUTH EAST STREET • CARLINVILLE, IL 62626  
TELEPHONE 217/854/3341 • FAX 217/854/6015

**ANDREW MANAR**  
CHAIRMAN

**JULIA WATSON**  
VICE CHAIRPERSON

**PETE DUNCAN**  
CLERK

**GABE SPRINGER**  
CHIEF FINANCIAL OFFICER

October 25, 2012

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Subject: GASB 45 Request for Proposal

Macoupin County, Illinois intends to secure the services of a qualified firm to provide Actuarial Services for Other Post-Employment Benefits ("OPEB") in order to comply with the Governmental Accounting Standards Board Statement No. 45 ("GASB 45") that establishes standards for the measurement, display, and recognition of OPEB expenses and liabilities.

Attached for your consideration is a Request For Proposal (RFP) for an actuarial study to satisfy GASB 45. If you would like to be considered, please prepare and deliver a proposal to me per specifications in the attached RFP by December 3, 2012.

Please feel free to contact me at (217) 854-3341 with any questions.

Sincerely,

Gabe Springer  
Chief Financial Officer  
Macoupin County Board

Attachment(s): Request for Proposal, Employee Voluntary Severance Plan D (copy)



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## 1. PURPOSE

- a. Macoupin County, Illinois (the "County") intends to secure the services of a qualified firm to provide Actuarial Services for Other Post-Employment Benefits ("OPEB") in order to comply with the Governmental Accounting Standards Board Statement No. 45 ("GASB 45") that establishes standards for the measurement, display, and recognition of OPEB expenses and liabilities.

## 2. GENERAL INFORMATION

- a. The County has approximately 150 active employees and is fully-insured for health insurance. Currently, there are 3 County retirees enrolled in the County's Voluntary Employee Severance Program, though in previous years approximately between 5 and 10 have been enrolled. The County offers this plan on a year to year basis to active employees contemplating retirement. A copy of the most recent plan offered is attached which includes eligibility and other provisions for your reference.
- b. The requirements in GASB 45 will be effective for the County's financial statements covering the fiscal year ending August 31, 2012. Please note that the County's most recent actuarial studies relevant to GASB 45 indicate that the last valuation of liabilities was reported as of September 1, 2009. Thus, the study will need to be augmented to include any accrual needed since this date.
- c. The County requests that the successful bidder produce a complete report within 45 days of the awarding of the contract. The full, initial GASB valuation will be a one-time project to bring the County into compliance.

## 3. SUBMISSION OF PROPOSALS.

- a. Submit one original proposal package to the following address:  
Macoupin County Board  
c/o Chief Financial Officer  
215 South East Street  
Carlinville, IL 62626  
Phone: (217) 854-3341  
e-mail: [gabe.springer@macoupincountyil.gov](mailto:gabe.springer@macoupincountyil.gov)
- b. Send one electronic copy of the proposal package in either Microsoft Word (.doc, .docx) or Adobe Acrobat (.pdf) format to the following e-mail address:  
[gabe.springer@macoupincountyil.gov](mailto:gabe.springer@macoupincountyil.gov)



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## 4. SCHEDULE

- a. All proposals are due to the Macoupin County Treasurer by 4:30 PM on December 3, 2012. All questions regarding the RFP must be submitted by November 26, 2012. Questions will be answered cumulatively, where appropriate.
- b. RFP Timetable (subject to change)
  - 1) Distribute RFP .....October 25, 2012
  - Deadline for questions about RFP .....November 26, 2012
  - Proposals due to Macoupin County CFO ..... December 3, 2012
  - Selection by Finance Committee ..... December TBA, 2012
  - Approval by Macoupin County Board..... January 8, 2013
  - Report due..... February 22, 2012

## 5. SCOPE OF SERVICES

- a. The primary project is a GASB 45 valuation for the County. The proposal should include the following comprehensive actuarial services provided in written reports:
  - 1) Prepare an actuarial valuation following GASB 45 standards. Specific elements shall comply with minimum standards information requirements as described in Statement 45 and shall include the following information:
    - a) The actuarial present value of total projected benefits
    - b) Unfunded actuarial accrued liability
    - c) Actuarial accrued liability
    - d) Actuarial value of assets
    - e) Normal cost
    - f) Annual required contribution of the employer as a level dollar amount and as a level percentage of covered payroll
    - g) Net OPEB obligation for disclosure under GASB Statement 45



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- 2) Prepare the necessary material for the Comprehensive Annual Financial Report to comply with GASB OPEB reporting and disclosure requirements.
  - 3) Determine the implicit rate subsidy, if any, and the impact it would have on the OPEB liability.
  - 4) Analyze the feasibility of establishing one trust or equivalent arrangement and how that would affect the interest rate assumption.
  - 5) Analyze the feasibility of establishing trusts for the County separate and distinct or equivalent arrangement and how that would affect the interest rate assumption.
  - 6) Prepare a cash flow analysis (the "pay-as-you-go-cost") - optional
  - 7) As appropriate, provide recommendations on managing the OPEB liability.
  - 8) Analyze the data for any inconsistencies and make recommendations for enhancing data quality.
- b. All services performed shall be in accordance with the Actuarial Standards of Practice and the Actuarial Code of Professional Conduct.

## 6. CONTRACT TERM

- a. This contract period shall begin upon approval by the Macoupin County Board and signed by the Chairman of the Macoupin County Board.
- b. The contract shall end upon acceptance by the Macoupin County Board Finance Committee of all reports and materials produced under the Scope of Services (paragraph 5).

## 7. MINIMUM QUALIFICATIONS. Proposals meeting the following minimum qualifications will be considered for award:

- a. Qualified actuarial staff to perform the Scope of Services requested herein.
- b. Demonstrated experience working with GASB Statement No. 45
- c. Previous experience working with public entities.



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## 8. PROPOSALS. Please include the following information:

### a. Firm Qualifications

- 1) List the name, address, contact name, and contact information for your firm
- 2) Provide a general description of your business, including number of employees, number of credentialed actuaries, primary business and other services offered.
- 3) Provide a brief history of your firm.
- 4) Describe your firm's experience in performing GASB 45 valuations and your firm's experience working with public entity clients.
- 5) Identify the professional staff assigned to this project.
- 6) Please include a governmental client reference for which actuarial GASB 45 work similar to this request has been performed, including contact names and telephone numbers, and types of services your firm has provided.

### b. Actuarial Capabilities

- 1) Indicate how many GASB 45 valuations your firm has performed.
- 2) Describe how the firm will work with County staff and auditors when necessary to determine the proper actuarial cost method, actuarial asset valuation method, amortization method and key assumptions for the valuation based on applicable accounting and actuarial standards.
- 3) Describe how the firm will work with the County to determine the proper funding strategy if applicable.
- 4) Indicate if any services must be provided by third parties in order to meet the requirements of the RFP.

### c. Work Plan

- 1) Describe your work plan for this project
- 2) Provide a timetable for this project



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3) Include a sample valuation report

### d. Fees

1) State your proposed fee for providing the actuarial services required by this RFP for the term of this contract. The price quoted shall include bidder's cost in full for all transportation, labor, materials and equipment used in performing the services herein. These prices shall be considered firm from date of award through the end of the contract term.

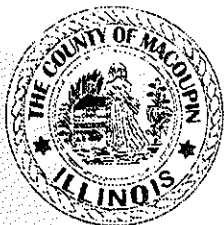
2) Does your price quote represent a discount from your standard pricing?  
If so, by how much and why?

9. **INSURANCE REQUIREMENTS.** The proposer receiving the award will provide Certificates of Insurance to Macoupin County to verify coverage in relationship to these services as applicable.

a. Workers' Compensation

b. Commercial Liability

c. Professional Liability



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## 10. ADDITIONAL INFORMATION

- d. This RFP should not be considered as an offer. It constitutes only an invitation to negotiate.
- e. The Committee will not be obligated to return any materials submitted in response to this RFP.
- f. The County retains the full right to analyze and consider the proposal materials for its purposes without compensation to or approval of the proposer.
- g. This RFP may or may not result in an award of a contract. The County reserves the right to cancel this RFP at any time, and for any reason, and to reject any or all bids.
- h. Receipt of these proposal materials from the County or submission of a proposal to the County confers no rights upon the vendor nor obligates the County in any manner.
- i. The County reserves the right to negotiate with any, all, or none of the parties responding to this RFP.
- j. The County is relying upon the vendor's expertise to answer all questions in this RFP document.
- k. The County reserves the right to accept any portion or all of any proposal.

Voluntary Employee Severance Program  
Plan D

**1. Voluntary Participation Plan D.** All eligible employees may elect to participate in the severance program. Participation is completely voluntary. In addition, the employee at any time may end his/her participation in the agreement at any time. Plan D is offered to employees as a separate program to the Voluntary Employee Severance Programs Adopted by the Macoupin County Board and offered between the dates of September 8, 2008 and August 31, 2011.

**2. Service Tenure / Age Requirement.** In order to qualify for the program, employees must meet all eligibility requirements in regards to age and years of service to qualify for benefits from the Illinois Municipal Retirement Fund (IMRF). Employees who enrolled in the Voluntary Employee Severance Program as adopted by the Macoupin County Board between the dates of September 8, 2008 and August 31, 2011 are not eligible to enroll in Plan D.

**3. Enrollment Period for Plan D.** Enrollment period begins upon approval of the Macoupin County Board. Enrollment period ends at the close of business on Monday, August 31, 2013.

**4. Date of Voluntary Severance.** Ending date of employment (voluntary severance) must be initiated by the employee and agreed upon by the employee's supervisor prior to August 31, 2013. The employee's supervisor must inform the County Board office in writing of the ending date of employment at least one week prior to the date agreed upon between the employee and the supervisor.

**5. Insurance Premium Cost Sharing.** The County will share the cost of health and dental insurance premiums with the employee according to the schedule below.

Year 1	Year 2	Year 3	Year 4	Year 5	Year 6+
100%	80%	60%	40%	20%	10%

**5a.** Year 1 begins on the ending date of employment and ends on August 31, 2013. Year 2 begins on September 1, 2013 and ends on August 31, 2014. Each subsequent year begins on September 1 of that year and ends on August 31 of that year.

**5b.** The value of the premiums paid to the employee by the County will be paid as if the employee maintained employment with Macoupin County, i.e. office visit and premium co-pays, all out-of-pocket expenses, drug card, etc. will apply. Employees participating in the program are entitled only to the benefits and levels of benefits available to current non-union employees enrolled in the County's health and dental insurance plan.

**5c.** If the participating employee secures health and/or dental insurance with another employer, the participating employee is rendered ineligible for the insurance premium cost sharing plan according to this agreement.

**5d.** When the participating employee reaches age 65, the employee is rendered ineligible for the benefits of the premium cost sharing associated with this plan.



6. Payment of Premium. Macoupin County will pay the full health and dental insurance premiums and will collect the applicable premium cost share portion from the employee on a monthly basis.

7. Dependent Coverage. If an employee elects to participate in the program, dependent coverage will not be possible after the ending date of employment.

7a. Limitations by Health Insurance Carrier. The health insurance carrier (as designated by the County Board) may place provision(s) limiting the participation in this program by the employee and/or their dependent(s). Employees are encouraged to first contact the health care provider to determine their eligibility for coverage. Nothing in this program will supersede limitations enacted by the health insurance carrier.

8. Limitation on Number of Participants. The number of participating employees is limited to no more than one-quarter of the employees in each office within each department. This number can be increased at the discretion of the supervisor. The individual choosing to volunteer for this severance program will be prioritized based on date and time of application. If two employees apply at the same time, the individual with most seniority will be chosen first. Any employee who is denied this program based on the cap percentage will be put on a list to be used if this program is continued next fiscal year (FY 2013-2014).

9. Filling of Vacancies. Except for critical public safety positions, any positions that become vacant due to an employee's participation in the program, the position being vacated must remain vacant for the remaining portion of Fiscal Year 2012-2013 unless specifically authorized by a recommendation of the Finance Committee and subsequent action of the Macoupin County Board.

10. Governance Committee. A Governance Committee is created to administer the Voluntary Employee Severance Program. The Governance Committee shall be made up of the Chairman of the Finance Committee, a union employee in County government appointed by the Chairman of the County Board, a non-union employee in County government appointed by the Chairman of the County Board and an elected County Official appointed by the Chairman of the County Board. The Governance Committee shall have the authority to settle all questions and disputes arising from the institution of the program. In the event insurance plan changes are necessary as a result of the implementation of the national Affordable Care Act, the Governance Committee will be the responsible authority for reviewing the program and taking any necessary action if needed.

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